2020-40A 290090

NEXSEN PRUET

J. David Black Member Admitted in SC, DC

January 28, 2020

Honorable Comer H. Randall Chairman Public Service Commission of South Carolina 101 Executive Center Drive, Suite 101 Columbia, South Carolina 29210

RE: Chem-Nuclear Systems, LLC

Dear Chairman Randall:

Chem-Nuclear Systems, LLC, a wholly owned subsidiary of Energy Solutions, requests authorization from the Public Service Commission of South Carolina to change accounting systems from Oracle to SAP. As the Commission is aware, Commission Order No. 2001-499 directed that no change in accounting system should

be made without authorization from the Commission.

Charleston Charlotte

Columbia

Greensboro

Greenville

Hilton Head

Myrtle Beach

Raleigh

Chem-Nuclear's parent company, Energy Solutions, embarked on a Business Process Improvement Initiative two years ago that reviewed processes and systems enterprise-wide. Significant amounts of manual and redundant processes were identified, some supported by technology and some not. Most of the technology in place was not integrated with any other technology, creating multiple sources of inconsistent data that was being used to support day-to-day decisions. These findings were followed up by an exhaustive evaluation of multiple solutions, including an upgrade to Oracle, that could support the desired future state of business processes. As a result of this initiative a recommendation was made that the company change from using Oracle to SAP. This change will include not only the accounting system, but everything from human resources to procurement. SAP's software will allow data from all company processes to fully integrate, thus eliminating manual reporting and insuring the accuracy of reports, including financial reports.

1230 Main Street Suite 700 (29201) PO BOX 2426 Columbia, SC 29202 www.nexsenpruet.com

T 803.540.2072 F 803.727.1409 E DBlack@nexsenpruet.com Nexsen Pruet, LLC **Attorneys and Counselors at Law**



January 28, 2020 Page 2

Energy Solutions plans to begin implementation of the change to SAP during the first quarter of 2020. Throughout the year, consultants will visit every company site to better learn Energy Solutions' business and ensure the company gets the best implementation experience with SAP. Energy Solutions expects to go-live with SAP in mid-2021.

Chem-Nuclear fully expects SAP to produce financial records and reports to the Commission and to the Office of Regulatory Staff (ORS) compliant with reporting requirements, and will be working with the consultants to ensure this is accomplished. As the company has done in the past, Chem-Nuclear's staff will work with the ORS to ensure their confidence in the accuracy of the reporting of the financial records using SAP.

At this time Chem-Nuclear requests the Commission direct the company to provide the necessary proof to the audit staff of the ORS to ensure the ORS's satisfaction of the accuracy of the financial records of the company using SAP. Once the ORS is able to report to the Commission that it is satisfied with financial records provided by the company using SAP, Chem-Nuclear will then seek the Commission's final authorization for the use of SAP.

Sincerely,

J. David Black

JDB/hjr